

GOAL:

Recognize the importance of Silicon Valley's manufacturing sector and actively promote its maintenance and growth.

OBJECTIVES:

- Support growth of firms
- Foster networks between partner organizations
- Lobby government to improve infrastructure and regulatory environment
- Establish networks between manufacturers
- Attract new firms and talent
- Promote exports from Silicon Valley manufacturers
- Provide access to business assistance programs
- Improve FDI related to manufacturing

BACKGROUND:

Manufacturing, fabrication, and assembly remain an essential part of the high-tech innovation ecosystem in Silicon Valley. The ongoing success of technology firms in sectors such as clean-technology, medical devices and information/communication technology depends on businesses that manufacture products nearby. Production-related jobs tied to high-tech are critical to supporting other local-serving sectors and provide unique and important employment opportunities at a variety of skill levels for area residents.

Manufacturing-related activity accounts for about 20% of all jobs in Santa Clara County, employing more than 150,000 people. In its recent report, *Locating American Manufacturing: Trends in the Geography of Production*, the Brookings Institute found that the San Jose-Sunnyvale-Santa Clara metro area was the second most manufacturing-specialized among the nation's 100 largest metropolitan areas in 2010. Unique in the nation, Silicon Valley is specialized in advanced manufacturing related to high tech. Thirty-two manufacturing sectors in Santa Clara County are considered highly "specialized", meaning they are significantly more concentrated here than the national average. Twenty-nine of these 32 sectors are involved with high-tech. Across Santa Clara County, these 29 specialized high-tech manufacturing sectors make up 76% of all manufacturing jobs.

OPPORTUNITIES FOR PARTNERSHIP

In completing research and analysis on the local manufacturing sector over the past two years, San Jose's Office of Economic Development has developed a strategy to actively support manufacturing in Silicon Valley. These strategies represent an opportunity to work beyond a single city and engage partners and stakeholders across the region to support and grow this important resource, and are provided here as a starting point to highlight opportunities to collaborate.

STRATEGIES FOR SUPPORTING MANUFACTURING:

Strategy #1: Promote more widespread use of existing support programs (business assistance, development incentives, and hiring services) that can reduce operating costs, minimize downtime, and speed hiring of qualified workers.

- a. To help alleviate cost barriers to manufacturing in Silicon Valley, make businesses aware of available programs and the real monetary benefits they can provide.
- b. Create a coordinated message platform and collateral that contains information on support programs and engagement opportunities offered by partner organizations.

Strategy #2: Help forge connections between manufacturing service companies and emerging technology companies.

- a. Coordinate business events that educate emerging technology companies on the value of local manufacturing services and improve the awareness of and access to manufacturing service providers.
- b. Compile and disseminate information about the manufacturing services available locally.
- c. Connect manufacturing service providers with incubators, entrepreneur groups, and other start-up support organizations to help them learn about cutting edge innovation and get early access to innovative new firms.

Strategy #3: Develop new programs and partnerships to prepare residents for careers in manufacturing, working with the education, training, and labor partners.

- a. Use existing examples of manufacturers engaged with State and Federal training programs to demonstrate the value of these programs to this industry.
- b. Connect manufacturers with local universities and colleges to help align and expand foundational training in applied engineering, machining skills, and product design to better reflect the required experience and knowledge of the industries and technologies they are focused on.
- c. Develop opportunities to introduce students and job-seekers to manufacturing internships and related entry-level opportunities in manufacturing-related firms.

Strategy #4: Preserve the diversity of industrial lands and viability of facilities that support manufacturing.

- a. Work directly with commercial real estate brokers, owners and developers to identify opportunities to rehabilitate, renovate or redevelop manufacturing facilities that meet the needs of the manufacturing sector.
- b. Monitor and discourage the encroachment of incompatible uses into industrial lands, and minimize where possible the impacts of non-industrial uses which would result in the imposition of additional operational restrictions and/or mitigation requirements on manufacturers.
- c. Monitor the absorption and availability of real estate suitable for manufacturers to ensure a balanced supply of available land for all sectors.
- d. Work with partner agencies to maintain primary freight routes that provide for direct access for goods movement to industrial and employment areas.

Strategy #5: Inform state and federal policy discussions about the extensive, successful manufacturing sector in Silicon Valley, requirements for future success, and implications for the national economy.

- a. Identify opportunities for partnership around programs currently being developed at both the State and Federal level regarding support for advanced manufacturing.
- b. Promote Silicon Valley's importance as a center for domestic manufacturing, drawing on data and research and communicate the unique characteristics of the Silicon Valley manufacturing ecosystem, which are not always adequately represented in state and federal forums.
- c. Work with manufacturing partners to identify key areas for legislative advocacy.